GOVERNMENT OF INDIA
MINES
LOK SABHA

STARRED QUESTION NO:373
ANSWERED ON:11.08.2016
Production of Aluminium
Raut Shri Vinayak Bhaurao;Shinde Dr. Shrikant Eknath

Will the Minister of MINES be pleased to state:

(a) whether the Government has signed an agreement with the National Aluminium Company Limited (NALCO) regarding financial and non-financial targets for the Financial Year 2016-17;
(b) if so, the details and the salient features thereof;
(c) whether the agreement has also set higher targets for production of both alumina and aluminium as compared to the previous fiscal, and if so, the details thereof;
(d) the quantum of alumina and aluminium produced by NALCO during 2015-16 and the target for the production during the year 2016-17; and
(e) the steps taken/to be taken to achieve the targets within stipulated time ?

Answer

(a) to (e): A statement is laid on the Table of the House.

Statement referred to in reply to part (a),(b), (c),(d) and (e) of the Lok Sabha Starred Question No.373 asked by Shri Vinayak Bhaurao Raut and Dr. Shrikant Eknath Shinde for answer on 11th August, 2016.

(a) Yes, Madam. Secretary, Ministry of Mines, Government of India has signed a Memorandum of Understanding (MoU) with National Aluminium Company Limited (NALCO) on 18th July, 2016 setting up physical and financial targets for the financial year, 2016-17 to be achieved by the Company.
(b) The details of MoU target for NALCO for 2016-17 are given in the attached assessment format 2016-17 at Annexure. The salient features of MoU, 2016-17 are as follows:
(i) MoU is a mutually negotiated agreement between the management of the company and Govt. of India wherein the CPSE has undertaken to achieve the targets set for the year. MoU provides an assessment format in a five point scale ranging from 'Poor' to 'Excellent'. It covers the broad areas of activities of NALCO, namely, production capacity utilization in alumina refinery and aluminium smelter, production efficiency parameters, technology up-gradation, research & development, capital expenditure (CAPEX) and its monitoring parameter, financial indicators such as turnover and operational profit, etc.
(ii) An annual 'excellent' production target of 21.30 lakh tonnes of alumina and 3.85 lakh tonnes of aluminium by NALCO has been set which are higher than the previous year's achievements.
(iii) The 'excellent' target for turnover from operations (net of excise) has been set at Rs. 7100 crore.
(iv)The production efficiency targets have also been set to improve over the previous years' achievements.
(v) The 'excellent' CAPEX target has been set at Rs. 870 crore.
(c) & (d): The 'excellent' targets set for alumina & aluminium production in the financial year 2016-17 are 9.06% & 3.49% higher respectively compared to the actual achievement in previous year, 2015-16. Production of alumina and aluminium in 2015-16 and targets for 2016-17 are as under:-

Unit	Production in the year 2015-16	'Excellent' target for the year 2016-17	'Very Good' target for the year 2016-17
Alumina in lakh MT	19.53	21.3	21.0
Aluminium in lakh MT	3.72	3.85	3.66

(e) Achievement of physical targets in respect of production and sales parameters are being monitored regularly by the functional Directors and CMD of the Company. The performance of NALCO, including the status of major projects, CAPEX achievements are also being monitored by Ministry of Mines and the Board of Directors of the company.

****